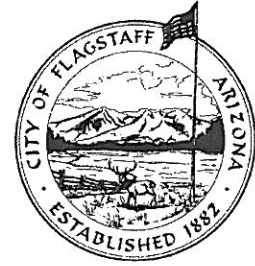


CITY OF FLAGSTAFF STAFF SUMMARY REPORT



To: The Honorable Mayor and Council
From: Heather Ainardi, CVB Director
Date: November 17, 2009
Meeting Date: December 1, 2009

Title: Consideration of Sole Source Purchase: Advertising for the Convention and Visitors Bureau.

Recommended Action: Approve the purchase of advertisements from Arizona Republic / azcentral.com in a total amount not to exceed \$70,000, and authorize the City Manager to execute the necessary document(s).

ACTION SUMMARY: This action will allow the Convention and Visitors Bureau to adjust the media plan adopted during the annual FY2010 budget process and place additional advertisements in the Greater Phoenix market.

DISCUSSION:

Background/History: The Flagstaff CVB handles all media buying and advertising creative functions in-house to cut overhead costs and negotiate significantly lower advertising rates. The original media plan adopted during the FY2010 budget process included \$49,672 in advertising expenditures with the Arizona Republic / azcentral.com. Based on the current economic situation and the need to further reach out to Flagstaff's top tourism market, the CVB is requesting to re-allocate funds within the current advertising plan to the Arizona Republic / azcentral.com, in a total amount not to exceed \$70,000. The CVB's total media plan would still not exceed \$365,000, but the re-allocation of funds would allow the CVB to quickly react to the economic situation and have a potential immediate impact in the community. These re-allocated advertising dollars would promote visitation during the winter months, with the goal to maintain or increase BBB tax revenues during this slower season.

Key Considerations: Based on a 2008-2009 Flagstaff Visitor Study, 33 percent of visitors to Flagstaff are Arizona residents, making in-state visitors the most important tourism market. In addition, a 2008-2009 Winter Visitor Study at Arizona Snowbowl indicated that 76 percent of visitors (non-Flagstaff residents) originated from Arizona. During the tourism stimulus campaign conducted in Spring 2009, the CVB experienced tremendous success in advertising with azcentral.com, proving that it is an effective advertising vehicle for promoting Flagstaff in the Greater Phoenix market.

Community Benefits and Considerations: By advertising with the Arizona Republic / azcentral.com, and others, Flagstaff is promoted as a year-round visitor destination. The overall goal of the CVB's advertising is to increase overnight visitation to Flagstaff, thereby generating BBB tax revenue to be reinvested in the community. The timing and targeting of this current plan is designed to have a stronger, more immediate positive impact in the Flagstaff community.

Community Involvement: The initial media plan was presented to the Tourism Commission on March 24, 2009 and was recommended to Council for approval as presented. Adjustments to the plan were discussed with the Tourism Commission on October 27, 2009.

Financial Implications: The total CVB media plan for FY2010 is approximately \$365,000. The total cost of this particular contract will not exceed \$70,000.

Options and Alternatives: The alternative would be to not run the above mentioned advertisements, resulting in a diminished Flagstaff presence this winter in Greater Phoenix, which is our largest inbound market.

Attachments/Exhibits: FY 2010 Media Plan
Azcentral.com Advertising Agreement



Division Director *(Acknowledgment that all reviews have been completed and required approvals initialed below.)*

INITIALS	RESPONSIBILITY	DATE	INITIALS	RESPONSIBILITY	DATE
<u>PW</u>	BIDS/PURCHASES	<u>11/17/09</u>		FINANCE/BUDGET	
	GRANTS			CONTRACTS	
<u>PW</u>	LEGAL	<u>11/16/09</u>		IGAS	

DATE OF COUNCIL APPROVAL: _____

Advertising Agreement

Company Name: Flagstaff CVB	Account # 109321
Address: 211 W Aspen Ave	Agreement ID#
City, State, ZIP: Flagstaff, Arizona 86001	Phone: 928.779.7628
Attention: Jacki Lenner - jlenner@flagstaffaz.gov	Fax:

THIS ADVERTISING AGREEMENT ("Agreement") effective on November 2, 2009, by and between Gannett Corp., 200 E. Van Buren Street, Phoenix, AZ. 85004, Publisher of The Arizona Republic newspaper and azcentral.com, a website on the World Wide Web (hereinafter "Publisher") and Flagstaff CVB, hereinafter the "Advertiser").

Advertising: The Advertiser shall purchase a 3 month contract for \$12,615 for the advertising set forth in this Agreement, at the rates indicated in this Agreement.

SPECIFICS OF THE AGREEMENT:

Dates: Jan – March 31, 2010

Flagstaff CVB

Sections	Ad Sizes	Impressions	CPM	Net Cost
Travel Section	300x250, 160x600, 728x90	30,000	\$ 12	\$ 360
Travel Section	Mega Tower - 300x600	20,000	\$ 14	\$ 280
Travel Section - Behavior Target	300x250, 160x600, 728x90	40,000	\$ 14	\$ 560
Things To Do	300x250, 160x600, 728x90	50,000	\$ 12	\$ 600
News	300x250, 160x600, 728x90	30,000	\$ 9	\$ 270
Home Page	Mega Tower - 300x600	35,000	\$ 16	\$ 560
Behavior Target - Winter Travelers	300x250, 160x600, 728x90	50,000	\$ 18	\$ 900
Stand Alone Email	500 Pixel Width	9,000	\$ 75	\$ 675
Monthly		264,000		\$ 4,205
Added Value – 3 Months Total				Value
Travel Section	FIXED 120x90	150,000		\$ 1,500
Travel Newsletter	Image and URL LINK	39,000		\$ 1,500
				\$ 3,000

Total Investment Jan - March	\$	12,615
Total Added Value	\$	3,000

TERMS AND CONDITIONS

1. Ad Preparation. Publisher will collect photographs or images, data and other materials necessary to prepare an ad for publication. Ads will not be built or published until this Agreement is completed and executed and the attached Advertiser Fulfillment Form is accurately completed.
2. Azcentral.com is committed to adhering to Internet Advertising Bureau standards for ad sizes. If standards change during the life of this contract, Advertiser grants azcentral.com the right to switch the campaign to IAB standard sizes that most closely approximate the advertiser's existing advertisements.
3. Publisher's Rate Card: If this Agreement calls for placement of ads within the Arizona Republic newspaper, the terms and conditions of the newspaper's rate card, a copy of which has been provided to the Advertiser, are incorporated herein by reference. If any terms or conditions of the rate card conflict with the terms of the Agreement, the terms of this Agreement shall govern. Publisher may revise rates for this Agreement and/or its advertising rate card at any time upon 30 days' written notice to Advertiser and the Advertiser may, without penalty, cancel this Agreement at any time prior to the time the new rates become effective upon prior written notice to Publisher.
4. Short rating: If, at expiration of original term, Advertiser shall have used fewer dollars, space, or insertions (or for other volume measurement stated above), whichever is applicable, to the extent that a different rate would be applicable according to the newspaper's current rate card or this Agreement, Advertiser's rate for all space/insertions used during the year shall be increased to the appropriate rate indicated on said rate card or Agreement, and Advertiser shall pay the difference or liquidated damages, whichever is less. In any case, the rate charged will not exceed the costs of continuing the Agreement in force until its expiration date.
5. Right to Edit or Reject: Publisher may, in its sole discretion, edit, classify, or reject at any time any advertising submitted by Advertiser. Without limiting said right to edit or reject advertising, azcentral.com will follow the ad standards set forth for The Arizona Republic newspaper. Azcentral.com will never knowingly accept an advertisement that might be considered misleading, fraudulent, illegal, unfair, suggestive or in bad taste. Some, but not all, standards for advertising are:
 - a. Adult movies, toys and products (e.g. rental or sale of movies rated "X," pornography, or unrated movies), are not acceptable. Any photos, illustrations or copy for any ads involving adult entertainment or personal services that are sexually suggestive are not acceptable.
 - b. Contests involving games of chance run by private individuals or for-profit commercial organizations are not acceptable. Advertising for contests sponsored by tax exempt, charitable organizations or an arm of the state, county or local government will be accepted.
 - c. Liquor advertising is acceptable only from advertisers who are brand producers or who have an Arizona State Liquor License
 - d. Ads that refer or link to a competitive URL are not acceptable. Competitive URLs include, but are not limited to, any URL for aggregators of advertising for autos, employment, real estate, travel, and general merchandise; and any aggregator of directory listings for businesses in Arizona.
6. Payment for Advertising: Advertiser shall pay for the advertising purchased under this Agreement according to the terms indicated on Publisher's invoices/billing statements. If Advertiser fails to timely pay as provided for in the invoices/billing statements, Publisher may reject advertising copy and/or immediately cancel this Agreement and Advertiser agrees to indemnify Publisher for all expenses incurred in connection with the collection of amounts payable under this Agreement, including court costs and attorneys' fees. If this Agreement is canceled due to the Advertiser's failure to timely pay, Publisher may rebill the Advertiser at the open or earned contract rate, whichever is applicable. Stated rates for all contract advertising services are conditional on subsequent payment by cash, check, or EDI. Rates for services paid for by other means are subject to an additional 3%.
7. Joint and Several Liability. If Advertiser utilizes an agency ("Agency"), Advertiser and Agency shall be jointly and severally liable for complying with all the terms of this Agreement, including payment for all advertising. Agency commissions, if any, shall apply to all advertising charges and adjustments under this Agreement.
8. No Sequential Liability. This Agreement renders void any statements concerning liability, which appears on correspondence from Agency or Advertiser. It is further agreed that Publisher does not accept those provisions in advertising orders or space reservations claiming sequential liability.
9. Incorrect Rates in Order Forms. When orders are forwarded by Advertiser or its Agency which contain incorrect rates or conditions, the advertising called for will be published and charged at the correct rate in force governing such advertising as provided for in Publisher's rate card, as may be revised pursuant to Paragraph (2) above, and in accordance with the conditions contained herein.

incorrect insertions or omissions in advertising published. Publisher agrees to run a corrective advertisement for that portion of the first insertion which may have been rendered valueless by such typographical error, wrong insertion or omission. Advertiser shall notify Publisher of such errors, and the corrective advertisement or credit shall not exceed the cost of the actual impressions attributed to the error. Publisher shall not be liable to Advertiser for any loss that results from the incorrect publication (including, without limitation, typographical errors), incorrect insertion or omission of Advertiser's advertisements. Any claim for credit must be received by Publisher within thirty (30) days from the start of the advertising campaign or be deemed waived.

11. Disclaimer, Limitation of Liability and Indemnification Publisher makes no guarantees to Advertiser as to the level of reach, distribution, leads, revenues, traffic or business to be derived from placement of ad(s) on azcentral.com. Publisher is not liable, except as set forth in Paragraph (12), for any delayed delivery or non-delivery of ads due to acts of God, action by any governmental or quasi-governmental agency, other force majeure, network difficulty, or other acts beyond the control of Publisher. Advertiser agrees to indemnify, defend and hold harmless Publisher from all claims (whether valid or invalid), suits, judgments, proceedings, losses, damages, cost and expenses, of any nature whatsoever (including reasonable attorneys' fees) for which the Publisher or any of its affiliates may become liable by reason of Publisher's publication of Advertiser's advertising.
12. Ownership of Advertising Copy. All advertising copy, which represents the creative effort of the Publisher and/or the utilization of creativity, illustrations, labor, composition or material furnished by it, is and remains the property of the Publisher, including all rights of copyright therein. Advertiser understands and agrees that it cannot authorize photographic or other reproduction, in whole or in part, of any such advertising copy for use in any other medium without the Publisher's prior written consent. Advertiser will retain ownership of all materials in the form delivered to Publisher and any existing trade or service marks that it already owns and hereby provides a limited world wide, royalty-free license to Publisher to use, sublicense and/or distribute.
13. Taxes. If any federal, state or local taxes are imposed on the printing of advertising material or on the sale of advertising space, such taxes shall be assumed and paid by Advertiser.
14. Assignment. This Agreement may not be assigned or transferred by Advertiser or Agency.
15. No brokering. Brokering of web space in any form is expressly forbidden. Publisher reserves all rights to advertising sale and placement within azcentral.com
16. Credit Check. The effectiveness of this Agreement is subject to a satisfactory credit check on Advertiser and/or Agency or prepayment will be required.
17. Entire Agreement. This Agreement constitutes the complete understanding of the parties and supersedes all prior agreements, understandings, negotiations and/or arrangements between the parties and cannot be amended except in writing and signed by both parties. This Agreement shall be governed by and construed in accordance with the laws of the State of Arizona.

IN WITNESS WHEREOF, duly authorized representatives of the parties have executed this Agreement as of the date noted below.

ADVERTISER

By _____
Signature (& title of corporate officer, partner or sole owner) (Please print name after signature) (Date signed)

AGENCY (if applicable)

By _____
Signature of authorized Agency representative (Please print name after signature) (Date signed)

PUBLISHER

By _____
Azcentral.com sales executive (Please print name after signature) (Date signed)

By _____
Azcentral.com sales manager (Please print name after signature) (Date signed)

Attest:

City Clerk

Approved as to form:

David Womack for

City Attorney